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County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

June 23, 2008

To: Supervisor Yvonne B. Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

Board of Supervisors
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MICHAEL D. ANTONOVICH
Fifth District

REPORT ON DIETARY SERVICES CONTRACTS AT DEPARTMENT OF HEALTH SERVICES FACILITIES (ITEM NO. 35, AGENDA OF JUNE 24, 2008)

On March 25, 2008, on motion by Supervisor Molina, your Board instructed the Chief Executive Officer (CEO) to report back at its June 24, 2008 meeting regarding consolidating the provision of Dietary Services in County hospitals into a single RFP to leverage economies of scale and pricing. As noted on the June 24, 2008 meeting agenda, we have requested a continuance of this report to July 8, 2008.

In addition, as part of that motion, your Board instructed the CEO to report back quarterly on the status of actual and anticipated issues associated with Dietary Services in the LAC+USC Replacement Facility (Replacement Facility), vendor performance, modifications to the current agreement and its impact in the development of a new Request for Proposals (RFP). Our first quarterly report will be provided once operations are transferred to the Replacement Facility.

On March 25, 2008, your Board approved an amendment to the Agreement with Morrison Healthcare, Inc. to extend the term of the Proposition A Dietary Services Agreement to September 30, 2009 and to add concession cafeteria services at the LAC+USC Medical Center (LAC+USC). The Amendment also allowed for a three percent increase in contract cost and authorized the Director to make adjustments to the scope of work that may be necessary relating to the move into the Replacement Facility.

Subsequently, on May 20, 2008, your Board approved amendments to dietary services agreements at four DHS facilities, excluding LAC+USC, at which time DHS advised the Board that an RFP would be released for agreements at the four facilities, in June or July 2008, and recommendations for successor contracts were targeted for Board approval

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Each Supervisor
June 23, 2008
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in December 2008. That Board action also approved delegated authority to the Interim Director to extend services on a month-to-month basis for an additional six months effective January 1, 2009 through June 30, 2009. This additional extension provides an opportunity for the review and report back regarding the consolidation of dietary services in County hospitals.

DHS, in collaboration with this office, has determined that it is feasible to issue a single solicitation for all dietary services in County hospitals and the Multi-Service Ambulatory Care Centers. However, the timing of the move into the LAC+USC Replacement Facility, and the development of the RFP for dietary services there, will delay the release of the RFP for the other four DHS facilities, previously targeted for June or July 2008. The timing for the consolidated RFP will be based on the timeline required to develop the LAC+USC Replacement Facility scope of work.

DHS staff is working with County Counsel to determine a reasonable method for addressing meal volume at the Replacement Facility in the RFP to obtain meaningful cost proposals. However, a mandatory walk through of the kitchen, cafeteria and service delivery areas at each facility is critical in order to allow proposers an opportunity to appropriately scope and map out their provision of services. As the kitchen area of the Replacement Facility is not fully equipped, the Replacement Facility will not be available for the walk through until the fall 2008.

DHS is finalizing the complete report back on the consolidated RFP, including the anticipated timeline for completing the solicitation process. This report will be provided to your Board for consideration prior to our scheduled presentation at your July 8, 2008 meeting.

Should you have any questions, please contact me or your staff may contact Dorothea Hayes of this office at (213) 974-6837 or at dhayes@ceo.lacounty.gov.

WTF:SRH:SAS
MLM:DH:yb

c: Executive Officer, Board of Supervisors
County Counsel
Interim Director, Department of Health Services

Dietary Services RFP_mbs



Health Services
LOS ANGELES COUNTY

July 3, 2008

**Los Angeles County
Board of Supervisors**

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Second District

Zev Yaroslavsky
Third District

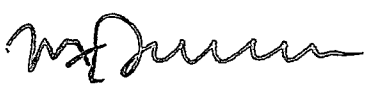
Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

John F. Schunhoff, Ph.D.
Interim Director

Robert G. Splawn, M.D.
Interim Chief Medical Officer

TO: Each Supervisor

FROM: John F. Schunhoff, Ph.D. 
Interim Director

SUBJECT: **REPORT ON DIETARY SERVICES CONTRACTS – ADDITIONAL
INFORMATION (AGENDA OF JULY 8, 2008)**

On March 25, 2008, on motion by Supervisor Molina, your Board instructed the Chief Executive Officer (CEO) to report back at its June 24, 2008, meeting regarding consolidating the provision of Dietary Services in County hospitals into a single Request for Proposals (RFP) to leverage economies of scale and pricing. The CEO provided a preliminary report to your Board on June 23, 2008, and requested a continuance of the report to July 8, 2008. The preliminary report indicated that the Department of Health Services (DHS), in collaboration with CEO, determined that it is feasible to issue a single RFP and that DHS would finalize a complete report back to your Board, including the anticipated timeframe for completion of the solicitation process, prior to the scheduled presentation at your July 8, 2008, meeting.

This is to provide you with a complete report in response to the second part of the March 25, 2008, Board motion related to the DHS Dietary RFP process.

DHS will prepare a RFP that consolidates acquisition of all dietary services in County hospitals and the Multi-Services Ambulatory Care Centers into a single solicitation document. The issue of leveraging economies of scale and price will be addressed through issuing an instruction to proposers to submit a cost proposal by facility, and if proposing for more than one facility, to consider providing a lower cost proposal or some other revenue incentive that leverages the pricing. The RFP will be set up to provide the flexibility to recommend the award of one consolidated or multiple contracts for your Board's approval, based on the County's best economic interest.

In order to ensure adequate time to develop the LAC+USC Replacement Facility service requirements for inclusion in the consolidated RFP and allow for appropriate reviews and approvals prior to RFP release, the original time frame for the four facilities RFP will be moved out several months.

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The projected timeframe for a consolidated RFP is as follows:

Draft RFP and Obtain Clearances	Present to November 13, 2008
Release RFP	November 14, 2008
Mandatory Proposers' Conference/Walk-throughs	December 2-4, 2008
Proposals Due	January 8, 2009
Complete Proposal Evaluations	February 2009
Contract Negotiation/Preparation	February – March 2009
Contract and Board Letter Clearances	April - May 2009
Board Agenda	June 2, 2009

The term of the current dietary agreement for LAC+USC Medical Center expires on September 30, 2009, and the agreements for the other four facilities expire on December 31, 2008, however, but your Board approved a month-to-month extension option that can be exercised to extend the terms to June 30, 2009. We believe the consolidated RFP process can be completed prior to expiration of the existing dietary agreements. The project will be closely monitored and I will advise you of any delays that might result in the need for Board approval of any subsequent agreement extensions.

If you need additional information, please let me know.

JFS:KH:cvc

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors



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Fifth District

November 13, 2008

To: Supervisor Yvonne B. Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

REPORT ON DIETARY SERVICES CONTRACTS AT DEPARTMENT OF HEALTH SERVICES FACILITIES

On March 25, 2008, on motion by Supervisor Molina, your Board instructed the Chief Executive Officer to report back quarterly on the status of actual and anticipated issues associated with Dietary Services in the LAC+USC Replacement Facility (Replacement Facility), vendor performance, modifications to the current agreement and its impact in the development of a new Request for Proposals (RFP). Additionally, your Board requested a report back at the June 24, 2008 Board meeting regarding consolidating the provision of Dietary Services in County hospitals into a single RFP to leverage economies of scale and pricing. This Office provided a status report on June 23, 2008, and the matter was continued to July 8, 2008. A complete report was provided by Department of Health Services (DHS) on July 3, 2008, noting the consolidating of dietary services at all DHS facilities into a single solicitation, and the anticipated release of the RFP is targeted for the end of November 2008.

This quarterly report addresses actual and/or anticipated issues associated with dietary services at the Replacement Facility.

Several deficiencies, primarily consisting of kitchen equipment that was not in proper working order were identified and the project management team and the contractor worked in a collaborative and expedient manner to address the items. As a result of such efforts, the Replacement Facility kitchen area was fully equipped and passed inspection during the October 21-23, 2008 State licensing visit.

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Each Supervisor
November 13, 2008
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The dietary service operations were transferred into the Replacement Facility Friday, November 7, 2008. Morrison, the current service provider, will offer cafeteria and concession services for visitors, staff and the public on the evening of November 7, and dietary services for in-patients, physician-resident staff and employees will commence Saturday, November 8, 2008.

Following the transfer to the Replacement Facility, DHS will continue to occupy and provide limited services in the basement through the 4th floors at the current facility. To accommodate the remaining staff, as well as the School of Nursing, Morrison will provide limited grill services to employees. In addition, Morrison will continue to store a limited number of supplies at the current facility.

Our next quarterly status report to your Board is targeted for January 2009, in addition to actual and anticipated issues with dietary services in the Replacement Facility, we will also report on vendor performance and any modifications to the current agreement.

Should you have any questions, please contact me or your staff may contact Dorothea Hayes of my staff at (213) 974-6837 or at dhayes@ceo.lacounty.gov.

WTF:SRH:SAS
MLM:DH:yb

c: Executive Officer, Board of Supervisors
County Counsel
Interim Director, Department of Health Services

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Chief Executive Officer

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Fourth District

MICHAEL D. ANTONOVICH
Fifth District

February 19, 2009

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

REPORT ON DIETARY SERVICES CONTRACTS AT DEPARTMENT OF HEALTH SERVICES FACILITIES

On March 25, 2008, on motion by Supervisor Molina, your Board instructed the Chief Executive Officer to report back quarterly on the status of actual and anticipated issues associated with dietary services in the LAC+USC Replacement Facility (Replacement Facility), vendor performance, modifications to the current agreement and its impact in the development of a new Request for Proposals (RFP). Additionally, your Board requested a report back at the June 24, 2008 Board meeting regarding consolidating the provision of dietary services in County hospitals into a single RFP to leverage economies of scale and pricing. This Office provided a status report on June 23, 2008, and the matter was continued to July 8, 2008. A complete report was provided by Department of Health Services (DHS) on July 3, 2008, noting the consolidating of dietary services at all DHS facilities into a single solicitation, and the anticipated timeline of the RFP solicitation process. On November 13, 2008, we provided your Board with a status report on the transfer of dietary services to the Replacement Facility and as noted, the kitchen area was fully equipped and licensed by the State.

This quarterly report fully addresses issues associated with dietary services at the Replacement Facility and provides your Board with a status report on the RFP for dietary services contracts at DHS facilities.

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As of November 8, 2008, Morrison Management Specialists, Inc. dba Morrison Health Care, Inc. (Morrison), the current service provider, began offering cafeteria and concession services for visitors, staff and the public, and dietary services for in-patients, physician-resident staff and employees. Some of the issues that have been addressed include:

- Equipment re-calibrations;
- Morrison is working through the new meal accounting system that monitors ordinance meals which consist of meals authorized by County Code, including meals that are obligated contractually for interns and residents as well as meals that may be given to medical students and volunteers in exchange for their services
- During peak meal hours, the facility has experienced congestion in the cafeteria; however, Morrison is purchasing mobile cash registers to help decompress the lines and to accelerate the throughput;
- Café hours have been expanded based on identified customer needs;
- DHS is maintaining reduced cafeteria services in the General Hospital (GH); hours of operation are minimal Monday through Friday, and hours of operation will continue to be evaluated and provided based on need;
- The GH kitchen is utilized for some excess equipment storage (pots, pans, chafing dishes, etc., which are only used infrequently); and
- Morrison staff training is on-going for new equipment in the kitchen and tray delivery system on the wards.

Overall, the transfer of dietary and concession services to the Replacement Facility was seamless, requiring no modifications to the existing Morrison service agreement. Morrison related move costs are under review by DHS. This completes our report on issues associated with dietary services in the Replacement Facility. Future reports will focus on the consolidation of dietary services in County hospitals into a single RFP, including the Replacement Facility, to leverage economies of scale and pricing. The following represents a status on DHS' efforts as to the RFP process.

The RFP release date has been delayed from November 2008 to March 2009. In an effort to prepare a solicitation that would leverage economies of scale and pricing, DHS Contracts and Grants staff are working closely with the facilities to review their service needs to standardize requirements. Further complicating the RFP structure and content is the fact that dietary services are subject to Proposition A contracting and Living Wage Program requirements while the concession cafeteria services are only subject to Living Wage Program requirements.

Each Supervisor
February 19, 2009
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The draft RFP is in the final review process with DHS management and will be provided to County Counsel for approval within the next two weeks. DHS will finalize the RFP as quickly as possible to avoid delays in recommending new contracts to your Board. As approved by your Board, the existing Agreements for Harbor-UCLA Medical Center, Olive View-UCLA Medical Center, Martin Luther King, Jr. Multi-Service Ambulatory Care Center, and Rancho Los Amigos National Rehabilitation Center are effective through June 30, 2009. The Agreement for dietary and concession services at LAC+USC is effective through September 30, 2009.

As noted, the RFP is about to be completed and is expected to be referred to County Counsel for review and approval within the next two weeks. Upon approval of the RFP, a final report will be prepared by DHS to advise your Board of the RFP release date and it will include a revised timeframe for the solicitation.

Should you have any questions, please contact me or your staff may contact Dorothea Hayes of my staff at (213) 974-6837 or dhayes@ceo.lacounty.gov or Kathy Hanks of DHS at (213) 240-7819 or khanks@dhs.lacounty.gov.

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MLM:DH:yb

c: Executive Officer, Board of Supervisors
County Counsel
Interim Director, Department of Health Services

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